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RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC  
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UNCLAS SECTION 01 OF 03 MEXICO 000027

SIPDIS

STATE FOR S/CT - RHONDA SHORE AND WHA/MEX

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SUBJECT: MEXICO - COUNTRY TERRORISM REPORT FOR 2009

REF: STATE 109980

¶1. No known international terrorist organizations have an operational presence in Mexico and no terrorist incidents targeting U.S. interests/personnel have occurred on or originated from Mexican territory. Mexico continues to confront well-armed, organized crime elements in several regions of the country and traditional hot spots for narcotics trafficking have seen record levels of violence. Small and weak anti-social groups perpetrated isolated acts of vandalism with the intention of disrupting commercial stability and raising awareness of their cause. Although no international terrorist organizations have sought to use Mexico as a haven for operations, the organized crime syndicates and the consequent security problems on the border pose a vulnerability that could allow for a future terrorist transit point into the U.S. The Mexican Government remains a highly committed partner and shows no sign of complacency in its fight against organized crime and remains vigilant against domestic and international terrorist threats.

¶2. Although incidents of domestic terrorism have not increased over the past year, Mexico received threats from a previously active group and witnessed the emergence of a new element. El Ejercito Popular Revolucionario (EPR) dissolved talks with the Government of Mexico in April and threatened to reemploy violent measures to force a response to its demands for a government investigation into the disappearance of two of its members. In 2007, it launched two attacks on petroleum pipelines. In 2009, no acts of terrorism were attributed to the EPR. From May to August, the animal liberation front, ALF, claimed responsibility for attacking banks and commercial sites throughout Mexico, its capital city using propane tank bombs. Three bombs were discovered unexploded, while another three caused property damage but no casualties.

¶3. Levels of organized crime and narcotics violence rose significantly in the traditional hot spots along the border and in marijuana cultivation regions. Cartels increasingly use military-style terrorist tactics to intimidate Mexican security forces and establish dominance in specific regions. In June, the Michoacan-based La Familia organization carried out a series of retaliatory attacks that killed 12 federal police personnel in response to the apprehension of a high-level drug trafficker. The speed, precision, and tactics used by several groups indicated that the actions were well coordinated and the perpetrators well trained. The state of Chihuahua experienced an increase in narcotics-related deaths as rival cartels used sophisticated communications procedures

and military weaponry to target and assassinate rival cartel members. There is no apparent evidence of ties between Mexican organized crime syndicates and international terrorist groups. The violence attributed to organized crime groups on the border, however, continues to strain Mexico's law enforcement capacities creating potential vulnerabilities in terms of terrorist exploitation seeking access to the U.S through Mexico.

¶4. Currently, there is no indication that terrorist organizations are using Mexico as a conduit for illicit activities. Nevertheless, Mexico's still nascent capacity to counter money laundering suggests a potential vulnerability. The Mexican Attorney General's (PGR) Organized Crime Division's (SIEDO) money laundering unit investigates and prosecutes money laundering crimes in Mexico with mixed results. The majority of its investigations are linked to organized crime and drug proceeds. Currently, drug proceeds in Mexico are laundered primarily in the form bulk currency movements or through currency exchange houses, such as casas de cambio and smaller centros cambiarios. In order to combat the illegal movement of funds, Mexican financial institutions typically follow international standards such as know your customer<sup>8</sup> and due diligence advocated by the Financial Action Task Force (FAFT) Recommendations. These institutions also terminate the accounts of individuals and entities identified on international country lists such as the Office of Foreign Asset Control (OFAC) Specially Designated National and Blocked Persons List. Furthermore, Mexican financial institutions follow the Ley de Instituciones de Credito, Articulo 115, Disposicin 68 y 41 (Law of Credit

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Institutions, Article 115, Sub article 68 and 41) as ordered by the Mexican Treasury and supervised by the CNBV or Comisin Nacional Bancaria y de Valores (National Bank and Securities Commission). This law requires banks to consult recognized international and country lists of individuals involved in terrorism or other illicit activities and submit a suspicious activities report<sup>8</sup> within 24 hours to the Mexican Department of Treasury's Financial Intelligence Unit (UIF) on the activities of any individual on that list.

¶5. The Government of Mexico has stepped up efforts to improve interagency coordination as part of its campaign to combat crime and prevent terrorism. It has created a national database known as Plataforma Mexico designed to promote greater information exchange and overall interoperability across Mexico's numerous and disparate police entities. Tactical Intelligence Operations Units (UNITO) represent a new Government of Mexico mechanism that brings together all federal agencies in a given state to coordinate intelligence and operations. Command, control, communications, and computer centers (also known as C-4 centers) located in several states vary in capabilities from simple call centers to analytical cells that produce analysis and support the development of operations. The U.S. directly supports programs to help both the Secretariat for Public Security (SSP) and the PGR train federal investigators and facilitate greater operational coordination and effectiveness.

¶6. The U.S. and the Government of Mexico worked together to address a number of challenges in connection to Mexico's southern and northern borders in 2009. The U.S. deployed two teams to Mexico's southern border to conduct assessments. Its border with Guatemala and Belize remains very porous and poses a vulnerability in terms of serving as potential terrorist transit point. The U.S. is working with the Government of Mexico to address resource requirements and offer some best practices applied effectively at other ports of entry. The U.S. and the Government of Mexico agreed to coordinate actions at the northern border ports of entry in order to obstruct the flow of illegal arms and currency across the U.S./Mexico border. Pilot programs in Nogales and Eagle Pass are proving to be successful by increasing the number of vehicles inspected while lowering the wait time at

the border crossing. The U.S. supported the establishment of the Mexico Targeting Center, modeled after the CBP National Targeting Center-Cargo (NTC-C) which should strengthen Mexico's ability to target suspicious or illicit cargo entering or leaving Mexico. The Advance Passenger Information system (APIS) supports targeting efforts, increases information sharing, and enhances intelligence capabilities in identify special interest aliens (SIA) at ports of entry. The U.S. and the Government of Mexico also commenced the Joint Security Program (JSP) for Travelers, a pilot program that promotes exchanges of immigration officials as part of an effort to streamline the APIS referral process, and seeks to identify and track suspected terrorists, fugitives, or smugglers.

17. In June 2008, President Calderon signed into law a number of security and justice reforms. The security reforms granted police greater investigative authorities and facilitated the ability of law enforcement officials to seize the assets of individuals implicated in criminal activity. The justice reforms effected constitutional changes that provide for a presumption of innocence in criminal and civil prosecutions and allow for evidence-based oral trials promoting greater transparency and more confidence in the judicial system. The law provides for the identification of &control judges8 invested with the authority to issue expeditious warrants for wiretaps or the arrest of targets of interest. Although these measures are primarily aimed at organized crime groups, the legislation also supports investigations against domestic or international terrorists. The government has eight years to implement the justice reform legislation adopted in 2008; to date, implementation has been slow and uneven.

18. The U.S. and the Government of Mexico have worked closely to implement a robust Diplomatic Security Anti-Terrorism Assistance (ATA) program with associated funding levels expected to rise from \$503,000 in 2008 to \$6 million in 2010. In 2009, ATA programs provided training for 300 Mexican

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security officials in 18 courses or seminars on matters ranging from VIP protection to digital security and forensics. Visit Mexico City's Classified Web Site at <http://www.state.sgov.gov/p/wha/mexicocity> and the North American Partnership Blog at <http://www.intelink.gov/communities/state/nap/> / PASCUAL